

Pilots likely to bite bullet, OK deal

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The interim pay cut deal between Delta Air Lines and its pilots union should gain reluctant ratification, a cross-section of observers predicted Monday.

The airline and union leaders hammered out an agreement Sunday that will chop wage rates by 14 percent and end a bankruptcy court battle over Delta's request to void its current pilot contract and impose terms.

It commits the two sides to more negotiations over a broader deal by March 1, however, and it calls for arbitration if those talks don't succeed.

"I'm not absolutely certain the pilots will pass it, but I think the odds are probably very favorable. The wolf is at the throat, so to speak," said Les Hough, director of research at the Usery Center for the Workplace at Georgia State University.

He thinks the pilots will prefer this agreement "over something even more draconian that the bankruptcy judge could mandate."

Ratification must be completed by Dec. 28, after which the two sides will start talks on a broader agreement. Delta and the union present the plan today to U.S. Bankruptcy Judge Prudence Beatty for her approval, which is expected.

Both the union and Delta gave ground in the interim deal. Delta had insisted on a 19 percent pay cut, while the union publicly offered 9 percent. Hough said Delta executives probably realized a win in court and imposed terms would embitter pilots and risk operational problems.

Richard Henry, a Boeing 767 captain for Delta, predicted the airline's 6,000 pilots will ratify.

"It reflects the reality of our situation, of our current environment," said Henry, 48, who lives in east Cobb County with his wife and three kids.

'Just the beginning'

"This will make a total of 46 percent pay cut in the past 12 months," said Henry, an 18-year Delta veteran, but "this is just the beginning. They want work-rule changes and other things."

Pilots took a 32 percent pay cut about a year ago, in a deal that helped Delta avert a Chapter 11 filing then. But continuing losses and sharply higher fuel prices this year sent it into bankruptcy proceedings in September and prompted requests for more pilot pay cuts.

Kit Darby, who runs Air Inc., an Atlanta-based pilot career service, said the interim cut would put Delta "in line" with other distressed carriers whose pilots have taken cuts.

The annual pay of a 10th-year Delta pilot flying as captain of its smallest mainline jet would be \$118,788, according to Air Inc. Pay for the same job ranges from \$110,952 at Northwest, which recently reached a similar stopgap deal in bankruptcy, to \$181,248 at discount carrier Southwest Airlines, one of the few carriers that has remained consistently profitable.

"Absolutely no one wants to take a financial cut," said Darby, but most pilots would rather accept a pay cut than endanger their jobs through a strike. Delta's union leaders had suggested they might call a strike if terms were imposed.

"Live to fight another day is what most pilots come to at this point," said Darby, a United pilot.

Jon Ash, a longtime aviation consultant in Washington, called the compromise "very positive for both parties. You really wanted to avoid having the judge impose a decision."

The airline's motion to void the pilots' contract and impose terms had bogged down in hearings while Beatty prodded the two sides to settle — the typical outcome in such cases involving airlines. A potential deadline for a ruling this Friday may have prompted movement toward a compromise.

The Air Line Pilots Association is endorsing the interim deal and will hold pilot meetings to explain the terms. "There are a lot of positives," said ALPA spokesman John Culp, including that the deal cuts "the judge out of the pattern."

He said Delta also agreed to negotiate profit-sharing and stock-related compensation for pilots once it emerges from Chapter 11, as well as giving pilots credit for earlier concessions and future pension losses if Delta terminates its pension plans. Delta has not said it plans to terminate its pension plans but stopped contributing to them shortly after entering Chapter 11.